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SENSITIVE

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SUBJECT: Director's 10/6 Meeting with Kaohsiung Mayor Chen

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¶1. (SBU) Summary: In her October 6 meeting with Director Young, Kaohsiung Mayor Chen Chu briefed on the city's 2009 World Games preparations and sought U.S. help on counterterrorism information exchange and screening incoming foreign athletes. Chen positively assessed DPP Chair Tsai Ing-wen's performance to date and agreed with the Director's comment that former President Chen's legal troubles would complicate Tsai's party reform efforts. She hoped that Chen Shui-bian's case would wrap up quickly so that Tsai would have a stronger hand leading into December 2009 county/city/local elections. Mayor Chen's own 2010 reelection prospects are still cloudy, but if she runs, she will need Tsai's help to protect her from the city's already fierce DPP intra-factional struggles. End summary.

¶2. (SBU) During his October 6-7 visit to southern Taiwan, Director Young called on Kaohsiung City Mayor Chen Chu. Chen has recently enjoyed a slight popularity uptick as she increases her public profile after months of limited visibility due to a stroke suffered late last year. In a sign of her interest in a 2010 re-election bid, Chen last month replaced one of her two Deputy Mayors with a DPP stalwart who specializes in public relations. Currently, Chen's main focus is preparing Kaohsiung for the 2009 World Games, during which the city will host 4,500 athletes from 100 countries competing in 37 sports.

World Games: Seeking Help on Screening Athletes

¶3. (SBU) Mayor Chen stressed that all of the city's World Games facilities would be completed on time and within budget. A 15,000-seat domed stadium, one of two large-scale infrastructure projects for the Games, had its soft opening on September 27, several weeks ahead of schedule. Public financing covered USD50 million of the domed stadium's USD 263 million price tag, she explained, with a leading local firm, Han Shen Corporation, funding the rest under a build-operate-transfer (BOT) model. The other major project, a 40,000-seat main stadium, was 93% complete and would be finished by January 15, 2009, six months before the World Games' July 16 opening ceremony.

¶4. (SBU) Chen invited the Director and other U.S. officials to attend the games and encouraged U.S. businesses to come to Kaohsiung in the near future to participate in World Games sponsorship activities. Chen insisted that the PRC should not have any problems with Kaohsiung hosting the games, since the Kaohsiung Organizing Committee (KOC) would abide by its commitment not to use the games

as a political platform and would utilize the long-accepted IOC model for handling Taiwan. The ROC flag would not be displayed at official World Games activities, she promised, but the KOC could not control ordinary Taiwan citizens who wanted to wave the ROC flag on their own accord.

15. (SBU) Noting that the KOC was pressing Taiwan's authorities to implement a visa-free regime for foreign athletes attending the games, Chen asked whether the U.S. could offer counterterrorism intelligence assistance. She also solicited U.S. help in finding a way to "screen" athletes from higher-risk areas, like the former Soviet Union and eastern Europe. Emphasizing our strong desire to see the Games proceed as safely as possible, as well as our global effort to combat terrorism, DIR promised to seek guidance on Mayor Chen's requests and get back to her later.

DPP Reform: Grappling with CSB Legacy

16. (SBU) Asked to assess DPP Chair Tsai Ing-wen's performance to date, Chen said that as a member of the DPP's Central Standing Committee, she could personally vouch for Tsai's effective party leadership. Tsai represented a new generation of DPP leadership, and DPP supporters had high expectations of her. Chen predicted that Tsai would have a positive impact on Taiwan's society because she had a clean reputation and was too young to harbor deep-seated feelings of retribution over the 1979 Formosa incident.

17. (SBU) Chen agreed with the Director's comment that former President Chen Shui-bian's ongoing legal troubles would complicate Tsai's DPP reform efforts. Mayor Chen commented that former

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President Chen and the DPP were closely intertwined. Chen brought glory to the DPP by winning the Presidency and effected an historic peaceful transfer of power from the KMT to the DPP. Over the last 15 years, she explained, people had become used to having Chen as part of the political landscape. Given Chen's prominence, his current fall from grace had been especially damaging to the party. DPP supporters needed to know why the Chen family transferred money overseas. Those actions surprised the party faithful, since the DPP had long condemned such behavior by the KMT.

18. (SBU) Nevertheless, she stated, former President Chen still had many ardent supporters, especially in southern Taiwan. They sympathized with Chen's line that the KMT was persecuting him unfairly. However, she added, most DPP supporters agreed that Chen's case should be pursued through the legal process and that the party should not be forced to defend him. The DPP therefore had no choice but to ask Chen to leave the party. Asked whether Chen's case and Ma's declining popularity would encourage a return of the DPP's "old guard," Mayor Chen expressed her belief that the old guard would remain in the background and let a younger generation gain experience.

2009 Elections: Eyeing DPP Future without CSB

19. (SBU) The Director underscored to Mayor Chen that the U.S. viewed positively President Ma's current efforts to reduce cross-strait tensions and strengthen peaceful dialogue between the two sides. Chen replied that a key question was whether Ma's cross-strait policy was actually in line with Taiwan's national interest. She underscored her view that Ma should seek consensus in Taiwan on the substance of his dialogue with China before signing agreements. While the DPP agreed with the need for peaceful dialogue, she explained, the party was primarily focused on whether Taiwan's interests were fully protected in the course of the dialogue.

110. (SBU) Chen declined to comment on her 2010 re-election prospects, noting that the DPP's main focus was December 2009 county/city/local "3-in-1" elections. She acknowledged that the specter of former President Chen's legal case posed a problem for the DPP. She hoped that Chen's case would be resolved quickly so that Tsai could lead the party into those elections without such a

burden. Mayor Chen stressed that the DPP's future course should have nothing to do with former President Chen and that Taiwan's democratization process would benefit from consigning Chen to history.

Comment

¶11. (SBU) Mayor Chen's positive assessment of Tsai's performance contrasts with more lukewarm reactions the Director received from other southern Taiwan DPP officials we visited on this trip (septel). Chen strongly supported Tsai's DPP chair candidacy, observing to us that Tsai's success could advance Chen's 2010 reelection prospects. Chen has long decried DPP factional politics, and fierce inter and intra-factional DPP squabbling in Kaohsiung has already given rise to widespread media rumors that Chen's DPP detractors are seeking to replace her with a stronger candidate to run in 2010. Chen was not the party favorite when she first ran in 2006, and with an opposing faction already having secured Kaohsiung City's DPP chairmanship, Chen will need the patronage of a secure and stable Tsai to bolster her reelection bid. End comment.

CASTRO

WANG